



CANADA

Public Service 2000

Second Annual Report to The Prime Minister on The Public Service of Canada

Glen Shortliffe

**Clerk of the Privy Council and
Secretary to the Cabinet**

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March 25, 1994

Dear Prime Minister,

Pursuant to section 47.1 of the *Public Service Employment Act*, I am pleased to submit to you this ***Annual Report on the Public Service of Canada***. This Report covers almost exactly the period of my tenure as Clerk of the Privy Council and Secretary to the Cabinet. I was sworn in on July 1, 1992 and, as announced, I will be retiring on March 28, 1994. This is also the first Report since the Clerk of the Privy Council assumed formal responsibility as Head of the Public Service in April 1993, with the proclamation of the *Public Service Reform Act*.

The past year has been a memorable one for the country and no less so for the Public Service of Canada. In the time since my predecessor, Paul Tellier, submitted the first Clerk's Report in June 1992,

there have been many initiatives and events that have had a significant impact on the Public Service, not the least of which was a general election and the arrival of the new Government. But even internally, decisions such as successive reductions in operating budgets, the continuing freeze on salaries and the organizational changes of June and then November 1993 have all affected the Public Service directly.

Despite increasing public demands for services, and ever-diminishing resources, public servants from coast to coast have continued to do a first-class job. Their sense of duty, their dedication to service and their commitment to excellence should be a source of pride to them and to all Canadians.

This Report is a personal statement, reflecting my views of what has happened to the Public Service, what public servants have done that is of wider interest and significance, and how I see the challenges ahead. It also contains a brief "report on progress" in the current process of change and renewal.

In submitting this Report, I am reminded of how privileged I have been to serve as Head of an organization that is the largest and certainly among the most important in Canada. And I am struck by the extraordinary changes I have seen during nearly 32 years of service, in four departments, both in Canada and abroad. I began my career as a junior officer in External Affairs when that Department was housed in the East Block on Parliament Hill and much of the rest of government could fit into a few older buildings in central Ottawa. I am concluding it in the Langevin Block, with a fine view of my starting place just across Wellington Street. But what is constant in the architecture of Ottawa belies what has changed: between 1962 and 1994, the Public Service has altered immensely, and in my view much for the better.

Where 30 years ago, business in the Public Service was done entirely in English, we are now a proudly bilingual institution, able to serve Canadians in the language of their choice from British Columbia to Newfoundland. Whereas in the Public Service of the 1960s, there were virtually no women in senior positions, I am now leaving a Privy Council Office in which women occupy almost exactly 50 percent of the positions at senior levels, and my successor is a woman. That is something no other major country can boast.

Where "management" was once a concept reputedly scorned inside the Public Service, it is now esteemed; where we once talked of "administration", we now realize the word is "leadership" where we once emphasized *caution* and *control*; now we emphasize *service* and *innovation*. And of course there has been a revolution in technology. We in the Public Service are among the country's leading innovators in the application of information technology in large organizations. The change in how we do our work has been profound, and even greater changes are on the horizon.

I note these longer-term changes because I believe that only in this larger context can we fully appreciate the changes that have been taking place in more recent years - they are part of a long-term process of change and renewal.

We are now looking toward a new century. I have no doubt that the Public Service of Canada will continue to adapt and evolve - in response to the changing needs of the country in a changing world and the evolving priorities of the Government of the day. But one thing will not change: our mission will always be that of providing top-quality, professional advice and support to the Government and the best possible

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service to Canadians.

As we move forward in this continuing process of change and renewal, I am heartened by the confidence you have so clearly expressed in the Public Service; by your reaffirmation of traditional public service values; and by the very positive relationship that you and I have enjoyed during these first months of your administration.

I have no doubt that under your leadership, and that of the Honourable Marcel Massé as Minister responsible for Public Service Renewal, the Public Service of Canada will meet the year 2000 better equipped and better able to serve the needs of Canadians. I wish you and my successor, Jocelyne Bourgon, the very best in your stewardship of this great national institution.

Yours sincerely,

Glen Shortliffe

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I

INTRODUCTION

The Wider Context of Renewal

In my capacity as Head of the Public Service, I am pleased to present this Second Annual Report to the Prime Minister on the Public Service of Canada. The requirement to submit an annual report is one of the new provisions of the amended *Public Service Employment Act*, which was proclaimed into law in the spring of 1993.

As the law requires, this Report sets out my views on the state of the Public Service. It describes some of the key events that have affected the Public Service over the past 18 months,¹ and it recounts progress on the longer-term process of restructuring and renewal. It also provides an opportunity for me to set out what I regard as the principal challenges that lie ahead for the Public Service, both in the short term and over time.

The context within which this Report is set, and without which the current state of the Public Service cannot properly be assessed, is the continuing process of change and renewal that has been at work in the Public Service of Canada over the past decade and indeed well before that.² The most recent major initiative in this regard has been *Public Service 2000*, an initiative launched by then-Prime Minister Mulroney in 1989.³ This system-wide process of reform and renewal was intended to prepare the Public Service for the challenges of the 21st century. It served as the focus of the Clerk's first Annual Report on the Public Service in 1992.⁴

The guiding principles and major objectives of *Public Service 2000* were set out in the Government's 1990 *White Paper on the Renewal of the Public Service*.⁵ The principles and values of *Public Service 2000* have been endorsed in broad terms by the new Government. They include recognition of the value of skilled, adaptable employees; a focus on service; and a commitment to continuous learning and innovation within organizations. Those principles and values remain valid today as guideposts for change and renewal in the Public Service.

The process of almost continual change that has characterized the Public Service in recent years has not been unique to Canada, nor to the federal government. We have seen major reforms in the public services of the United Kingdom, Australia, France, New Zealand, several Canadian provinces and, most recently, a new and high-profile undertaking in the United States led by Vice-President Gore.⁶ These various initiatives, while distinctive in some respects, share a common origin - the need for governments to adapt to global forces of change that have transformed the economies and societies of the entire world. They also share many common features - greater flexibility in organization, investment in human resources, modernization of personnel systems, a commitment to consultation and a general openness to ideas from outside government.

Only if we situate the current process of public service renewal in this international context can we fully appreciate the challenges we face here in Canada and the kinds of changes we will have to make if the Public Service is to remain an effective national institution.

Among the most significant of the forces bearing on the Public Service today is a growing scepticism in Canada about the value of public institutions, including the Public Service. This is a fact of public life in many countries, one to which not only politicians but also public servants must respond. As Head of the Public Service, I am gratified by the way in which the new Government has responded: the Prime Minister has made it clear, both inside government and publicly, that he values and respects the Public Service and that he expects his ministerial colleagues to work in a traditional relationship of closeness and trust with their officials. This certainly has been the characteristic of the Prime Minister's relationship with me and my senior colleagues.

Another factor that helps set the context for renewal, and that also conditions the working lives of individual employees, is the continuing pressure of fiscal restraint. Since 1984, there have been a dozen successive reductions in the operating budgets of departments. This continuing resource squeeze has made efficiency in operations more than an objective; it has become a necessity. In many areas, however, we are approaching the limits of what can be done to maintain programs and services at current levels without additional resources. This is one of the factors motivating the Government's recently announced program and efficiency reviews.⁷ If the money is simply not there, or will not be there in the future, then governments will have to rethink what they are doing, and how. In the same spirit, the Government's review of overlap and duplication between the federal and provincial governments aims at fundamental decisions on what governments should be doing, at what level, and through what delivery mechanisms.

Governments, whether here in Canada or abroad, face new challenges in health and social policy, in dealing with issues of economic development in a globalized economy, and in responding to the needs of citizens affected by environmental or other changes over which they have little control.⁸ At the federal level, it is the Public Service that is the principal instrument of government in responding to these emerging problems. Only if the Government has the benefit of the best possible advice and support, the most innovative policy ideas and the most efficient programs, can it respond adequately to the needs of its citizens. The Prime Minister has made a commitment to a real partnership with the Public Service, and his message has been very well received by all public servants. The Public Service is responding to this challenge with the professionalism that is to be expected of it.

The past year has been a difficult period for public servants. Change is always stressful, and in the last year we have undergone some of the most significant changes in organization ever witnessed in the Public Service of Canada. To the extent that change in government is controllable, it is largely a matter of political decision and responsibility. But I owe it both to the public and to my fellow public servants to set out what was done, and why I think the changes of the past year have positioned the Public Service to help our Government address the major issues facing Canada.

I am proud of the way in which public servants, in all departments and agencies of government, have dealt professionally and responsibly with the changes imposed on them over the past nine months. Despite the inevitable confusion and uncertainty created by organizational change, despite individual anxiety over jobs

and careers, the men and women of the Public Service have delivered their programs with the same expertise and dedication that Canadians have always expected. Services were maintained in hundreds of federal offices across Canada; the cheques went out on time; advice went to Deputies and Ministers with the same care and expertise as before: and when a new Government took office, it found a loyal and professional body of public servants waiting and willing to serve it. That in itself is a testament to the quality of the men and women who make up this national institution.

.....1	Strictly speaking, the present Report is intended to cover the period since the submission of the first Report, i.e., since June 30, 1992. I would expect that in future years, reports would be submitted by the end of the <i>fiscal</i> year (i.e., March 31), to cover the period of the immediately preceding <i>calendar</i> year (December 31).
.....2	I would note the significant reforms occasioned by the Glassco Report of 1963 and also the work of the Lambert and D'Avignon commissions in the late 1970s.
.....3	See the Prime Minister's press release of December 12, 1989.
.....4	See <i>Public Service 2000: First Annual Report to the Prime Minister on the Public Service of Canada</i> , by Paul M. Tellier, Clerk of the Privy Council and Secretary to the Cabinet, Ottawa, 1992.
.....5	<i>Public Service 2000: The Renewal of the Public Service of Canada</i> , Ottawa, 1990.
.....6	See the <i>Report of the National Performance Review</i> , "From Red Tape to Results: Creating a Government that Works Better and Costs Less," Washington, 1993.
.....7	See <i>The Budget Plan</i> , February 1994, page 28.
.....8	I am thinking, for example, of the challenge to both the federal government and the Government of Newfoundland in responding to the crisis in the Newfoundland cod fishery.

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II

THE YEAR IN REVIEW

Several events over the past 18 months have had a significant impact on the Public Service of Canada.

Constitutional Reform

The process of Constitutional reform dominated the Canadian scene and the Government's agenda for the greater part of 1992. Extensive consultations and negotiations were carried out in an effort to arrive at a constitutional package which both governments and citizens could endorse. Those talks led to the Charlottetown Accord, which was ultimately rejected in the October 26 referendum.

A major issue during this period of constitutional negotiations was the division of responsibility for certain policy and program areas and how these program activities could best be co-ordinated between the federal and provincial governments. Federal public servants provided outstanding advice and support to the Government throughout this intensive period. The results of their work remain important today as the federal and provincial governments continue to collaborate on ways to improve the efficiency of services provided by government to Canadians.

Restraint

After the referendum, attention focused again on the Canadian economy. As part of the Government's strategy to control the deficit and ensure stronger economic growth, the December 2, 1992 Economic Statement reduced operating costs for all departments by three percent for the 1993-94 and 1994-95 fiscal years, and froze the salaries of public servants for two years, through 1994-95.

The April 1993 Budget announced further restraints on expenditures for government operations. Significant cuts to departmental operating budgets, including reserves for contingencies and new initiatives, were announced for the duration of the fiscal framework. These measures reflected the continuing need to reduce the cost of overheads and to maximize the value of program spending.

As a result of the June 25 reorganization (see below), an additional \$150 million was cut from operating budgets. And in the February 1994 Budget, further reductions of \$1.5 billion in operating budgets over the three fiscal years 1994-95 to 1996-97 were announced.

This continuing program of restraint has a significant impact on government operations, but it also has a direct effect on employees. In the February 1994 Budget, the Government announced a two-year extension to the wage freeze and the suspension of pay increments ² for the Public Service and other federal employees and appointees. This means that the salaries of public servants will have been frozen for five of the six years between 1991 and 1997.

In addition, performance pay for executives has been eliminated since 1991-92 and for Deputy Ministers

since 1990-91. Funding to provide for performance pay had originally been taken out of the salary base for those employees. Its elimination has meant an actual reduction in income for these more senior employees in the order of five percent per year for average performers and progressively more for those with above-average performance. This has had a particular impact on the very people to whom we are looking for leadership in departments and agencies.

For unionized employees, the 1994 Budget also included a freeze on pay increments through which employees have normally progressed within a particular salary range up to the "job rate" for the position they hold. Here too, the financial impact on individuals is significant.

Passage of Bill C-26: the Public Service Reform Act

A milestone in the renewal of the Public Service was reached when Bill C-26, the *Public Service Reform Act*, was passed by Parliament in December 1992 and then proclaimed into law on April 1, 1993. This marked the first major overhaul of the legislation dealing with the management of the Public Service in over a quarter of a century. The new legislative framework provided a statutory footing for many of the changes in human resources and administrative management envisioned in the *Public Service 2000 White Paper*.

The Act contains amendments to the *Public Service Employment Act*, the *Public Service Staff Relations Act*, the *Financial Administration Act* and the *Surplus Crown Assets Act*. It includes provisions in areas such as the deployment of employees, ¹⁰ authority to simplify the job classification system and the streamlining of the staffing process. In addition, fair treatment of employees was enhanced as a result of new provisions on employment equity, the end of probation on appointments other than initial entry to the Public Service, and earlier union membership for term employees.

For the most part, these measures already have produced tangible improvements in the functioning of the personnel system. Deployment, for example, *is* working - jobs can be filled more quickly; people can more easily move to pursue new opportunities; and organizations can respond more effectively to organizational change.

One area, however, where we have not made the progress for which I had hoped is classification. The direction set by the *Public Service 2000 White Paper* is the right one, but greater effort is needed to bring the new, simplified system into being. Until we have that simpler system, managers and employees alike will be frustrated by the complexity and delay inherent in our current cumbersome structure of over 70 occupational groups, with many levels within each group.

Government Reorganization

On June 25, 1993, Prime Minister Campbell took office and announced a major reorganization of the government that, in one way or another, affected all departments in the Public Service.

The reorganization created departments that were organized more on functional lines than around particular client groups, and that brought together essential policy and program tools in critical areas such as

employment and income security. This consolidation of functions was intended to internalize decisions that had previously required lengthy interdepartmental consultation, thus giving individual Ministers clearer authority over their areas of responsibility.¹¹

The organizational changes announced in June included:

- an overall reduction in the number of departments from 32 to 23;
- the creation or redesign of eight departments;
- the merger or wind-up of 15 others.

All departments were asked to submit plans for administrative streamlining and for the consolidation of regional management structures and operations.

The reorganization resulted in new departments with responsibility for important policy areas that have a significant impact on Canadian society. They include, among others:

Human Resources Development

This new Department provides an integrated approach to Canada's investment in people. It brings together under one portfolio programs supporting the income of Canadians with employment and human resources programs linked to the requirements of the national economy and labour market.

Industry

The Department of Industry provides broad policy leadership within government on matters related to business and industrial development. It also plays a lead role in improving Canada's scientific infrastructure and is a key portfolio for Canadian competitiveness.

Canadian Heritage

This new Department was created to support and encourage a strong sense of Canadian identity and heritage based on fundamental characteristics of Canada - bilingualism and multiculturalism - and our diverse cultures and heritage.

Health

The new Department of Health was created to meet the fundamental policy and funding challenges of maintaining a high-quality, affordable health system for Canadians.

Public Works and Government Services

This new Department provides common services to government in a more cost-effective manner. It consolidates virtually all common services provided to federal departments and

agencies.

Central Agencies: Privy Council Office/Federal-Provincial Relations Office and Treasury Board Secretariat/Office of the Comptroller General

Two significant changes affected the central management structures of government: the first was the reintegration of the Federal-Provincial Relations Office into the Privy Council Office, which consolidated support to the Prime Minister across the full range of his responsibilities. The second was the integration of the Office of the Comptroller General into the Treasury Board Secretariat. This preserved and strengthened the comptrollership function within a streamlined budget office. Together, these changes represent a significant streamlining of the institutional overhead of the Public Service as a whole.

The reduction from 32 to 23 departments was accompanied by a corresponding reduction in the number of Deputy Ministers and shortly thereafter a 17 percent reduction in the number of Assistant Deputy Ministers from 319 to 266.

These personnel changes were carried out under my overall leadership, and in the case of those at the ADM level, under the authority of the Public Service Commission. Decisions on the reassignment of ADMs were taken on the basis that these senior officials are a corporate resource whose talents should be developed and used in the broader interests of the Public Service as a whole.

Reductions in personnel, at whatever level, are never easy to decide on and always difficult for the people affected. In this case, decisions were made only after careful consideration, by a committee of Deputy Ministers, of each affected individual and of the present and future needs of the Public Service. Those decisions also reflected the recognition that smaller government requires a smaller group of senior executives to manage it.

Beyond the relatively small number of senior executives who were directly affected, approximately 200 other executives in reorganized departments found their jobs affected. Often this was because the same administrative functions from several departments were being combined under the umbrella of a single new organization. Here again, the Public Service Commission, working with the concerned Deputy Ministers, has been active in facilitating the placement of affected employees in other departments.

In addition, many thousands of public servants whose jobs were not directly touched by the reorganization were affected in other ways. For some, their Deputy or ADM changed; for others, their branch or unit was moved to a new department or their supervisor was reassigned. These changes were disruptive. They carry a cost in dollar terms, and in dislocation and short-term organizational inefficiency, that can only be justified if their longer-range purpose is a good one.

The structures of the Government of Canada before June 25 had grown and evolved in response to the needs of the country in the 1950s, 1960s and 1970s. Those structures also reflected the fact that over the years Cabinet itself had grown to roughly 40 Ministers. By contrast, the changes made in June reflected the realities of government in the 1990s - a smaller Cabinet and a corresponding need for smaller, more efficient

government; the need for a more streamlined Cabinet system; the need for greater coherence in new policy areas that cut across traditional organizational lines; and above all, the need to enhance ministerial authority and control over the operations of government.

I believe the organizational changes of 1993 - made by one Government and accepted with some adjustments by its successor - *do* represent a necessary and positive step for the Government of Canada and for the Public Service. They have made policy and program choices possible today that would have been much more difficult under previous structures. As much as organizational changes can make a difference, the changes of June and November 1993 have better equipped Ministers and their officials to meet the important challenges facing Canada today.

The Election of and Transition to a New Government

On October 25, Canadians elected a new Government. Just as on similar occasions in the past, the Public Service showed its professionalism and competence in helping the new administration to take office and to pursue the agenda on which it had been elected.

When the new Government took office on November 4, the Prime Minister announced further changes to the structure of government, notably the creation of a new Department of Citizenship and Immigration, and the reestablishment of the Department of the Solicitor General. The Prime Minister also named a Minister, the Honourable Marcel Massé, with specific responsibilities for Public Service renewal. This appointment was an important signal of the Government's commitment to the Public Service as an institution, and to its future effectiveness in serving the needs of the Government and of all Canadians.

Restructuring within Departments

To be successful, organizational change must be carried out in a manner that is at once expeditious, orderly and responsible. This was the approach we took. A further premise of the implementation process was that there would be no disruption in service to Canadians. That commitment has been met by all departments concerned.

Implementation has been carried out on two fronts. In individual departments, the process of *restructuring* [12](#) each affected organization has been led by Deputies and their management teams. To oversee and direct the entire implementation process, an Implementation Board was created, consisting of Deputy Ministers from line departments and central agencies, under my chairmanship and with the support of a small secretariat in the Privy Council Office. The Implementation Board was responsible for ensuring that what had been decided and announced in June was implemented properly and expeditiously so as to minimize the period of disruption and uncertainty for employees and their clients.

To lend further expertise to the restructuring process, in September 1993, the Prime Minister created a new Advisory Committee on Government Restructuring which now reports to the Minister responsible for Public Service Renewal.

The Advisory Committee was asked to provide advice on the restructuring of government, with a focus on

the reduction of costs, increased effectiveness and enhanced service to the Canadian public. It has met on roughly a monthly basis and has provided very useful advice on a number of issues.

As originally conceived, the implementation of the reorganization and restructuring was to follow a three-phase process:

Phase I: Administrative Consolidation

For the *new* departments, Phase I involved putting new structures and management teams in place. For *all* departments, it meant preparing for administrative consolidation and the streamlining of operations. Within a matter of weeks, departmental structures and management teams were in place; by early fall, plans for the consolidation of administrative functions were complete and by the time of the writing of this Report they are largely in effect. The end of Phase I planning was marked by the signing of performance agreements between myself and each Deputy Minister. These agreements clearly spelled out performance expectations and anticipated savings.

Phases II and III: Operational Rationalization and Fundamental Reexamination of Programs and Services

The ultimate objective of these two phases had been to create a more results- and client-oriented Public Service by streamlining regional structures and applying new information technologies to enhance service and reduce costs.

The arrival of the new Government brought an understandable pause in the process, as Ministers took stock of their new portfolios, and the Government as a whole weighed important decisions on the review of programs and federal-provincial roles.

The February 1994 Budget sets the framework within which departments have been directed to review programs and to develop new and more cost-effective approaches to the delivery of services. In this process, strategic investments in information technology will be crucial to success. Already the Government has committed itself to \$2 billion in cost-avoidance savings over the coming five years through the application of information technology and the modernization of internal systems.

In this context, the recent appointment of a Chief Informatics Officer (CIO) in the Treasury Board Secretariat signals the Government's determination to provide leadership in moving forward the application of information technology and better information management across the Public Service. In March 1994, the President of the Treasury Board published the *Blueprint for Renewing Government Services Using Information Technology*, prepared by the Chief Informatics Officer for consultation both inside and outside government.

Planned major initiatives under the leadership of the CIO include:

- locally shared support services;

- shared personnel, finance and materiel management systems;
- business processes re-engineering;
- government-wide systems infrastructure development.

Two further developments affecting individual employees deserve mention. First, in an effort to ensure the successful placement of as many affected employees as possible, as of July 21, 1993, strict controls were placed on external hiring into the Public Service. In the context of the February 1994 Budget, those controls were extended indefinitely. As noted above, another provision in the Budget, again aimed at preserving jobs in the face of overall reductions in operating costs, was a further extension of the statutory wage freeze until the end of fiscal year 1996-97.

.....

9	Such increments are not and have not been provided to executives and Deputy Ministers.
10	"Deployment" is a term that refers to the movement of employees, with their consent, from one job to another at the same level and pay. Under the new Act, this can be done without recourse to a lengthy process of competition.
11	This, as it turned out, was very much consistent with the views of the current Prime Minister regarding the role of Ministers.
12	The term "reorganization" refers to the exercise of changing the broad structure of the government, including changes to the mandates of Ministers and the transfer of responsibility for major portions of the Public Service from one Minister to another. The term "restructuring" refers to organizational change <i>within</i> departments, in this case as a consequence of the June and November reorganizations.

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III

RENEWAL: A REPORT ON CURRENT PROGRESS

In the first Clerk's Report on the Public Service, my predecessor identified three priority areas for improvement in the continuing process of renewal: *Service, People Management and Internal Communications*. I am pleased to note in this second Report some examples of the progress that has been achieved in these areas.

I am highlighting these initiatives not only because they are examples of how we are meeting our objectives of better service to the public and enhancing the process of renewal, but because they illustrate the imagination and ability of public servants in departments and agencies throughout government.

Service to the Public

Canada Business Service Centres

These centres respond to the business community's need for better services by bringing together, at a single access point, information about programs and services available from eight federal departments and agencies. Three centres, each of which can be reached by a toll-free number, are now operating in Edmonton, Winnipeg and Halifax. As announced in the February 1994 Budget, other centres will be in place in major cities in the remaining provinces by the end of 1994.

Through this initiative, overlap and duplication between the federal government and the participating provincial governments are being reduced through jointly operated and funded centres. Evaluations of the three centres in operation indicate very high levels of client satisfaction.

InfoCentres

InfoCentres provide one-stop access for federal services to individual Canadians. Led by the Department of Human Resources Development, this initiative has been implemented in nearly 250 locations across the country, where services and information are provided mainly at local offices of Human Resources Development on behalf of 10 federal departments.

Selected Infocentres are also serving as rolling test-beds for innovative self-service and electronic tools. New partnerships with provincial and municipal governments and the private sector are also being explored to enhance the benefits of Infocentres.

Service Standards

For the Public Service to meet the service expectations of the public, both sides must have a clear understanding of the level of service to be provided. Under the leadership of the Treasury Board Secretariat, many departments have provided their clients with initial standards for their services.

For example, the Quebec Region of the Department of Fisheries and Oceans, through client consultation, has developed standards of service for all its programs and services. All requests for information or consultation are to be responded to in five days, as are responses to complaints.

In another case, the Rulings Directorate of Revenue Canada, which provides Canadian taxpayers with advance tax rulings, has published a brochure describing the services it offers and the associated standards.

With proper service standards in place, services to the public can be openly and objectively measured against public expectations. This will allow taxpayers to weigh what they are getting for their money, and public servants to better assess the relative costs and benefits of programs they are delivering. The ultimate goal is better services to clients at a cost taxpayers are prepared to pay.

The Electronic Procurement and Settlement System

The Department of Public Works and Government Services, with the assistance of the Chief Informatics Officer, has launched an initiative to improve the procurement of goods and settlement of accounts throughout government. These functions will be carried out electronically to reduce the paper burden for internal clients and private sector suppliers. This will result in enhanced service and substantial cost savings.

Successful pilot projects have been conducted and are being expanded to customer departments. Full functionality will be provided for internal transactions starting in the summer of 1994 and, for external suppliers, starting in 1995-96.

Client-oriented Approach to Financial Assistance Programs

Since 1992, at the Federal Office for Regional Development - Quebec (FORD-Q), project proposals have been reviewed on their admissibility before a formal application is required, so that clients can have a better understanding of program requirements and to assist clients in presenting their formal applications. This saves time and money for both clients and the government.

People Management

Recruitment

We are committed to the renewal and rejuvenation of the Public Service. Although a general freeze on external hiring has been imposed, recruitment programs aimed at rejuvenating the Public Service through the recruitment of a limited number of top-quality graduates have been exempted.

Skills Development

Public Works and Government Services Canada has established **The Institute for Government Informatics Professionals** to address the urgent need to revitalize the knowledge and skills of the government's informatics professionals.

Since 1993, over 1,300 students from 38 departments and agencies have enrolled in courses from a customized program at the Institute's facilities on leading-edge technologies which can be applied toward an under-graduate degree. This training is delivered by professors from three universities in a unique alliance, where the curriculum is jointly designed by the participating universities and the federal government.

Bridging Programs

The Department of Indian Affairs and Northern Development, in conjunction with the Treasury Board Secretariat, has launched a pilot project titled **Bridging the Gap** which is aimed at providing women in support staff categories with a more hospitable and supportive work environment, and helping them prepare for opportunities at the officer level through initiatives such as training and development, the creation of developmental positions, and career workshops. Notably, an advisory body of 10 women from the administrative support category was formed to advise the Deputy Minister on this project.

Management Development

To reflect the importance of instilling the principles of *Public Service 2000* in the management culture of the Public Service, the Principal of the Canadian Centre for Management Development was assigned particular responsibility for promoting *Public Service 2000* values. The Centre's curriculum has also been revised to focus more on leadership training, with an emphasis on values and principles consistent with the Public Service renewal initiative.

The **Learning for Leadership** program, developed at Health Canada, will provide more than 1500 managers over the next three years with the opportunity to explore and develop leadership skills consistent with *Public Service 2000* values and principles.

Internal Communications

Treasury Board Secretariat

TBS co-ordinates a number of interdepartmental networks to increase the sharing of experiences with various initiatives to improve service to the public. Interdepartmental meetings are held regularly and a newsletter is published.

For example, in the **Service to the Public Network**, over 300 public servants at all levels, representing more than 20 departments, have benefited from lessons learned by their colleagues and the sharing of best practices. Some of the subject areas covered recently include service standards, common points of service (i.e., single - window operations), and voice-mail.

Justice

A **Justice in the 1990s Information Group** was formed to meet with all employees of the Department of Justice to listen to their concerns and suggestions for improvements and to inform them of the Department's change program. A formal process has been established to bring the issues raised during the meetings to the

senior management team along with suggestions for action.

In addition, an **Employee Communication Centre** has been designated at the Department of Justice to ensure all employees are given current information on reorganization and to establish mechanisms for employee feedback.

System-wide Innovations

Two innovations at a system-wide level deserve mention: the first was the introduction of the **ConnEXions** electronic bulletin board. This was installed on the Senior Executive Network, an electronic message and data system within the government, and enables members of the Executive Group from coast to coast to stay informed of communications from central agencies and to contribute to the development of new policies. At a more personal level, I was very pleased with my own meetings with departmental executive committees and with the series of regular lunches I held with groups of Assistant Deputy Ministers from a cross-section of departments. Those fora provided an extremely useful sounding board for me and, I believe, for the officials concerned. One message I took away in particular was the strong desire of almost all participants to be regarded and to be used as *corporate* resources of the government.

For the first time, the Canadian Centre for Management Development organized a highly successful **Expo Innovation**, providing a forum for departments to showcase their innovative management practices, including applications of information technology. This proved to be a valuable learning experience for many public servants and members of the interested public.

Practically all departments have reported additional measures to ensure open lines of communication throughout their organizations. The greater use of informal meetings between senior executives and staff, staff involvement in major administrative decisions and regular communications (increasingly through electronic mail) between Deputies and staff are becoming the norm.

All public service managers recognized the need for enhanced internal communications following the June 25 announcement of the reorganization. I was pleased to see how Deputies made special efforts to ensure that the process of restructuring was conducted in as transparent and equitable a manner as possible, and that employees were kept well informed along the way.

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IV

CHALLENGES FOR THE YEAR AHEAD

The arrival of a new Government does not change the traditional vocation of the Public Service. Indeed, that vocation has been publicly reaffirmed by the Prime Minister. Yet at the same time, the activities and priorities of the Public Service will of course adjust in response to the particular objectives of the Government, its policy agenda and the economic and social circumstances of the new mandate.

The question of values is important. The Government has made clear, for example, that it is committed to managing any necessary reductions in staff to the extent possible through attrition rather than layoffs. And the Prime Minister took immediate steps, on taking office, to reduce the size of Ministers' offices and to restate the importance of the traditionally close working relationship between Ministers and their Deputies.

[13](#) I applaud these measures as an expression of confidence in the Public Service.

Since taking office, and particularly in the February Budget, the Government has launched a series of major policy and program reviews touching virtually every aspect of government activity. Those reviews will eventually lead to significant changes in government policies and the programs that follow from them. The pressures on public servants to be innovative during this review process, and to adapt to change at the end of it, will be intense.

For these reasons, I see the following areas as requiring particular attention in the coming year:

Stability

Given the scope of the current policy and program review exercise, it will be a priority for Deputies and their management teams to consolidate their organizations and to generate an atmosphere of stability within which employees can carry out their duties to the Government and to Canadians. This will mean settling internal organizational and staffing issues as quickly as possible, so that people can get down to work with a sense of confidence and direction. I am listing this as a first priority because I believe that without this kind of stability, other objectives will be difficult to attain.

Better Service to Canadians

This is of course part of the *raison d'être* of the Public Service and a declared priority of the Government. In many program areas, we will be pursuing ways of co-operating with other levels of government to improve services or reduce costs. We need to move forward with the consolidation of delivery mechanisms and of internal administrative functions, especially in the regions.

Although significant progress has been made, we have yet to realize the full benefit of our already-significant investments in information technology and in innovative delivery mechanisms such as Canada Business Service Centres and InfoCentres. Many similar opportunities are available, especially for merging the administrative functions of different departments located in the same area. Over time, this will lead to

streamlined services and significant cost savings.

In the 1994 Budget, the Government committed itself to establish and publish service standards by 1995 and to issue a Declaration of Quality Service by the summer of the same year. This is a tangible way to demonstrate the Government's commitment to provide better service to Canadians.

Getting full value from these initiatives, especially in the critical area of information technology, will require initial capital investments and some tough decisions by the Government in the light of very limited resources. I believe, however, that these investments offer the potential for significant savings to the taxpayer over the longer term.

People

People ought always to be a priority in the process of renewal. I have already noted the disruption, uncertainty and stress that have resulted from the changes of the past year. This makes it all the more important to maintain the motivation, values and skills of public servants, and their faith in this institution.

Departments and central agencies will need to continue their efforts to help the workforce adjust to the changing environment, to improve the quality of working life, and to provide increased opportunities for employees to develop the skills they need to tackle the challenges ahead.

.....13	See the Prime Minister's press release of November 4, 1993.
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V

CONCLUSION

1994 marks an important juncture for the Public Service. We have come through nearly 10 years of restraint. We have participated in a major exercise in renewal, *Public Service 2000*, that will carry on in one form or another for many years to come. And we have just undergone a major reorganization that has imposed enormous strain on institutions and on people.

Now the new Government has launched wide-reaching reviews of policies, programs and activities that will bring a redefinition of the federal role and a corresponding refocusing of the work of the Public Service. While it is still too soon to assess or even predict their full impact, no one can doubt the significance of these changes.

I am convinced that the Public Service is heading in the right direction. As we prepare for the challenges of the next century, I am confident that the traditional values of the Public Service - the values of loyalty, integrity, professionalism, fairness and impartiality that characterized the institution I joined 32 years ago - will remain its driving force.

Today, as an appropriate expression of changing times and the changing expectations of Canadians, I would also mention the newer values of service, innovation, responsiveness and leadership. But whatever the precise list, these values are well understood by public servants and by the Canadians they serve. They will constitute a foundation for excellence in the Public Service in the years to come.

Ours is an institution in transition. Renewing an organization as large and complex as the Public Service will depend above all on determined leadership by the Prime Minister, by Ministers and their Deputies, and by those whose duty it is to work in support of them. It will also require understanding and support from Members of Parliament and the interested public. Above all, it will call for the continuing efforts of the tens of thousands of men and women who have chosen to fulfil their ambitions through service to their country.

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